

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Notice of Intended Action

**Proposing rule making related to marketing programs
and providing an opportunity for public comment**

The Agriculture and Land Stewardship Department hereby proposes to amend Chapter 52, “Marketing,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 159.27.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 159.28 and 2022 Iowa Acts, House File 2560.

Purpose and Summary

This proposed rule making makes a number of changes to the Choose Iowa Promotional Program and Value-Added Agriculture Grant Program rules.

Updates to the promotional program include:

- Providing a definition for the “supporting organization” membership classification;
- Providing product qualifications for an Iowa cider;
- Revising the duration of membership in the program to coincide with the anniversary date of the participant’s registration as opposed to the current calendar basis.

Updates to the grant program include:

- Clarifying that in-kind contributions do not qualify as part of the private match requirement;
- Limiting grant applicants to one project application per grant cycle;
- Clarifying that priority will be given to applicants who were not awarded grant funding in the previous fiscal year;
- Revising the scoring criteria for grant applications;
- Clarifying that grant funds will be disbursed by reimbursement once a project is fully completed.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 21—Chapter 8.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on March 14, 2023. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Phone: 515.518.7609
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Adopt the following **new** definition of “Supporting organization” in rule **21—52.1(159)**:
“*Supporting organization*” is a membership classification that means a person, unified group, association, or business supporting the efforts of the choose Iowa promotional program.

ITEM 2. Amend paragraph **52.2(2)“f”** as follows:
f. Beer or cider bearing the choose Iowa logo shall be ~~brewed~~ produced in Iowa and contain at least one Iowa agricultural product, such as Iowa malt, hops, apples, corn, or soluble remnant, excluding water.

ITEM 3. Amend subrule 52.3(3) as follows:
52.3(3) Duration of membership. Membership is on an annual basis, coinciding with the ~~calendar year beginning January 1 and ending December 31~~ member’s anniversary date of original registration.

ITEM 4. Amend rule 21—52.4(159) as follows:

21—52.4(159) Fees Membership fees.

~~52.4(1) Membership fees.~~ Membership fees will be listed in the membership application and will be charged at the following rates:

Producer	\$100
Processor	\$100
Wholesaler/distributor	\$100
Retailer	\$100
Supporting organization	\$100

~~52.4(2) New member fees.~~ New member agreements issued during the program year will be assessed at 100 percent of the annual fee regardless of when an application for membership is submitted.

ITEM 5. Amend subrule 52.22(2) as follows:
52.22(2) Applications will only be accepted during the times established by the department. Late submissions will not be accepted. An individual, business, agricultural cooperative, nonprofit organization, or local government may only apply for one project per grant cycle.

ITEM 6. Adopt the following **new** subrule 52.22(5):
52.22(5) Priority will be given to applicants who were not awarded a grant in the previous fiscal year.

ITEM 7. Amend paragraph **52.23(2)“a”** as follows:
a. The extent to which the project addresses the goals of the program to increase the sale of Iowa agricultural products, increase market access, diversify markets, or increase processing capacity: ~~25~~ 20 points.

ITEM 8. Amend paragraph **52.23(2)“d”** as follows:
d. The sufficiency of the project’s budget and financing structure: ~~15~~ 20 points.

ITEM 9. Amend rule 21—52.24(159) as follows:

21—52.24(159) Disbursement of funds. The department will disburse funds for a project only after an agreement has been executed between the applicant and the department and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the agreement will be on a reimbursement basis for expenses incurred by the applicant upon completion of a project.